



## DEPARTMENT OF ENERGY

[Docket No. 22-167-LNG]

### **Mexico Pacific Limited LLC; Application for Additional Long-Term, Multi-Contract Authorization to Export U.S.-Sourced Natural Gas to Mexico and to Re-Export Liquefied Natural Gas from Mexico to Non-Free Trade Agreement Countries**

**AGENCY:** Office of Fossil Energy and Carbon Management, Department of Energy.

**ACTION:** Notice of application.

**SUMMARY:** The Office of Fossil Energy and Carbon Management (FECM) of the Department of Energy (DOE) gives notice (Notice) of receipt of an application (Application), filed on December 28, 2022, by Mexico Pacific Limited LLC (MPL). MPL requests authority to engage in additional long-term, multi-contract exports of U.S.-sourced natural gas by pipeline to Mexico and to re-export such natural gas as liquefied natural gas (LNG) from its proposed liquefaction and export facility, the MPL Facility, to be located in the State of Sonora, Mexico, in a volume equivalent to 291.22 billion cubic feet per year (Bcf/yr), to non-free trade agreement (non-FTA) countries. MPL filed the Application under section 3 of the Natural Gas Act (NGA).

**DATES:** Protests, motions to intervene, or notices of intervention, as applicable, and written comments are to be filed electronically as detailed in the **Public Comment Procedures** section no later than 4:30 p.m., Eastern time, [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**ADDRESSES:** Electronic Filing by email: [fergas@hq.doe.gov](mailto:fergas@hq.doe.gov)

Although DOE has routinely accepted public comment submissions through a variety of mechanisms, including postal mail and hand delivery/courier, DOE has found it necessary to make temporary modifications to the comment submission process in light of the ongoing Covid-19 pandemic. DOE is currently accepting only electronic submissions at this time. If a commenter finds that this change poses an undue hardship, please contact Office of Resource

Sustainability staff at (202) 586-4749 or (202) 586-7893 to discuss the need for alternative arrangements. Once the Covid-19 pandemic health emergency is resolved, DOE anticipates resuming all of its regular options for public comment submission, including postal mail and hand delivery/courier.

**FOR FURTHER INFORMATION CONTACT:**

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**SUPPLEMENTARY INFORMATION:** Currently, in separate Docket No. 18-70-LNG, Order No. 4312,<sup>1</sup> as amended, MPL is authorized to export U.S.-sourced natural gas by pipeline from the United States to Mexico for liquefaction in Mexico and re-export the natural gas in the form of LNG in a volume equivalent to 621 Bcf/yr of natural gas to any country with which the United States has not entered into a free trade agreement (FTA) requiring national treatment for trade in natural gas, and with which trade is not prohibited by U.S. law or policy (non-FTA countries), through December 31, 2050, pursuant to NGA section 3(a), 15 U.S.C. 717b(a).<sup>2</sup> MPL is authorized to re-export this LNG from the proposed MPL Facility, to be located on the Gulf of

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<sup>1</sup> *Mexico Pacific Limited LLC*, DOE/FE Order No. 4312, Docket No. 18-70-LNG, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export U.S.-Sourced Natural Gas by Pipeline to Mexico for Liquefaction and Re-Export in the Form of Liquefied Natural Gas to Non-Free Trade Agreement Countries (Dec. 14, 2018), *amended by* DOE/FECM Order No. 4312-A (Jun. 3, 2022) (extending export term).

<sup>2</sup> MPL notes that, in Docket No. 18-70-LNG, it is authorized to export LNG from the MPL Facility to FTA countries in a volume equivalent to 621 Bcf/yr of natural gas. MPL's FTA exports are not at issue here.

California adjacent to Puerto Libertad, Mexico, approximately 160 miles south of the United States-Mexico border.

In this Application filed in Docket No. 22-167-LNG, MPL states that it has determined through improvements to the design of the MPL Facility's three liquefaction trains it will be capable of producing an additional volume of LNG for re-export. In light of this design increase, MPL asks DOE to authorize the re-export of an additional 291.22 Bcf/yr of natural gas in the form of LNG from the MPL Facility to non-FTA countries.<sup>3</sup> MPL states that this Application, if granted, would increase its non-FTA exports from the MPL Facility from a total of 621 Bcf/yr to 912.22 Bcf/yr of natural gas, the aggregate capacity of the three trains.

MPL seeks the authorization on its own behalf and as agent for other entities that will hold title to the natural gas or LNG at the point of export or re-export, respectively. MPL requests the authorization for a term to commence on the date of first export following the commencement of commercial operation of the MPL Facility, and to extend through December 31, 2050.

Additional details can be found in MPL's Application, posted on the DOE website at: [www.energy.gov/sites/default/files/2023-01/22-167-LNG\\_0.pdf](http://www.energy.gov/sites/default/files/2023-01/22-167-LNG_0.pdf).

### **DOE Evaluation**

In reviewing the Application, DOE will consider any issues required by law or policy. DOE will consider domestic need for the natural gas, as well as any other issues determined to be appropriate, including whether the arrangement is consistent with DOE's policy of promoting competition in the marketplace by allowing commercial parties to freely negotiate their own trade arrangements. As part of this analysis, DOE will consider the study entitled,

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<sup>3</sup> DOE will review MPL's request for additional volumes to its existing FTA export authorization, as well as its request for an additional amount for use as fuel for pipeline transportation or liquefaction in Mexico, separately pursuant to section 3(c) of the NGA, 15 U.S.C. 717b(c).

*Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports* (2018 LNG Export Study),<sup>4</sup> and DOE's response to public comments received on that Study.<sup>5</sup>

Additionally, DOE will consider the following environmental documents:

- *Addendum to Environmental Review Documents Concerning Exports of Natural Gas From the United States*, 79 FR 48132 (Aug. 15, 2014);<sup>6</sup>
- *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States*, 79 FR 32260 (June 4, 2014);<sup>7</sup> and
- *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update*, 84 FR 49278 (Sept. 19, 2019), and DOE's response to public comments received on that study.<sup>8</sup>

Parties that may oppose this Application should address these issues and documents in their comments and protests, as well as other issues deemed relevant to the Application.

The National Environmental Policy Act (NEPA), 42 U.S.C. 4321 *et seq.*, requires DOE to give appropriate consideration to the environmental effects of its proposed decisions. No final decision will be issued in this proceeding until DOE has met its environmental responsibilities.

### **Public Comment Procedures**

In response to this Notice, any person may file a protest, comments, or a motion to intervene or notice of intervention, as applicable. Interested parties will be provided 60 days from the date of publication of this Notice in which to submit comments, protests, motions to intervene, or notices of intervention.

Any person wishing to become a party to this proceeding evaluating MPL's Application, must file a motion to intervene or notice of intervention. The filing of comments or a protest

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<sup>4</sup> See NERA Economic Consulting, *Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports* (June 7, 2018), available at: [www.energy.gov/sites/prod/files/2018/06/f52/Macroeconomic%20LNG%20Export%20Study%202018.pdf](https://www.energy.gov/sites/prod/files/2018/06/f52/Macroeconomic%20LNG%20Export%20Study%202018.pdf).

<sup>5</sup> U.S. Dep't of Energy, *Study on Macroeconomic Outcomes of LNG Exports: Response to Comments Received on Study; Notice of Response to Comments*, 83 FR 67251 (Dec. 28, 2018).

<sup>6</sup> The Addendum and related documents are available at: <https://energy.gov/fe/draft-addendum-environmental-review-documents-concerning-exports-natural-gas-united-states>.

<sup>7</sup> The 2014 Life Cycle Greenhouse Gas Report is available at: <https://energy.gov/fe/life-cycle-greenhouse-gas-perspective-exporting-liquefied-natural-gas-united-states>.

<sup>8</sup> U.S. Dep't of Energy, *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update – Response to Comments*, 85 FR 72 (Jan. 2, 2020). The 2019 Update and related documents are available at: <https://fossil.energy.gov/app/docketindex/docket/index/21>.

with respect to the Application will not serve to make the commenter or protestant a party to the proceeding, although protests and comments received from persons who are not parties will be considered in determining the appropriate action to be taken on the Application. All protests, comments, motions to intervene, or notices of intervention must meet the requirements specified by the regulations in 10 CFR part 590, including the service requirements.

As noted, DOE is only accepting electronic submissions at this time. Please email the filing to *fergas@hq.doe.gov*. All filings must include a reference to “Docket No. 22-167-LNG” or “Mexico Pacific Limited Application” in the title line.

**PLEASE NOTE:** Please include all related documents and attachments (*e.g.*, exhibits) in the original email correspondence. Please do not include any active hyperlinks or password protection in any of the documents or attachments related to the filing. All electronic filings submitted to DOE must follow these guidelines to ensure that all documents are filed in a timely manner.

The Application and any filed protests, motions to intervene, notices of interventions, and comments will also be available electronically by going to the following DOE Web address: *www.energy.gov/fecm/regulation*.

A decisional record on the Application will be developed through responses to this Notice by parties, including the parties’ written comments and replies thereto. Additional procedures will be used as necessary to achieve a complete understanding of the facts and issues. If an additional procedure is scheduled, notice will be provided to all parties. If no party requests additional procedures, a final Order may be issued based on the official record, including the Application and responses filed by parties pursuant to this Notice, in accordance with 10 CFR 590.316.

Signed in Washington, D.C., on January 26, 2023.

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Amy Sweeney,  
Director, Office of Regulation, Analysis, and Engagement,  
Office of Resource Sustainability.

